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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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801-538-5340

DOGM
MINERALS PROGRAM
FILE COPY

January 25, 1990

Ms. Susan B. Larson
Seattle Division Surety
Safeco Insurance Company
Northwest Region Surety
4909 156th Avenue NE
Redmond, Washington 98082

Dear Ms. Larson:

Re: Request for Reclamation Surety Release, Bond No. 4086846,
White Mountain Gypsum Company, Inc., White Mountain Mine,
M/027/001, Millard County, Utah

The Division has received your requests for release of the reclamation surety bond held for reclamation of the White Mountain Mine, located in Millard County, Utah. Your letter indicates that Safeco has been advised that all obligations under this surety bond have been fulfilled.

Our records indicate that White Mountain Gypsum Company, Inc. was liquidated during 1988 and its assets were purchased by Smith & Ardussi, Incorporated. There is also some question whether the pertinent mine claim(s) have been acquired by a Mr. Byron A. Ray. It is also rumored that the county may be using the site intermittently as a gravel quarry.

We have received Annual Reports, as required by state regulation, from Smith & Ardussi, Inc. for 1988 and 1989. The reports indicate that no mining or reclamation has taken place on the property during that time period. The Division cannot release the surety bond until the new operator/claimant completes a permit transfer document and provides a replacement reclamation surety for this mine site.

However, if the surface disturbance is less than 5 acres, then the new operator can refile as a Small Mining Operation. The new filing as a Small Mining Operation will effectively transfer the final reclamation obligation to the new operator, thereby allowing the Division to release the surety bond presently held for this site. No reclamation surety is required for mining operations with 5 or less acres of surface disturbance.

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Until one of the above options occurs, we cannot sign and return the surety release forms which you have provided to our office. We will forward a copy of this letter to Smith & Ardussi, Inc. If we can be of further assistance in resolving this permitting issue, please contact us directly at (801) 538-5340.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg".

D. Wayne Hedberg
Permit Supervisor
Minerals Program

DWH/jb
cc: L. D. McGeath, Smith & Ardussi, Inc.
Lowell P. Braxton, DOGM
Pam G.-Littig, DOGM
M2701/1-2